

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 9535-R
LITTLE GAS COMPANY, INC.)	

O R D E R

On September 17, 1986, the Commission issued its Order in Case No. 9535 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On May 8, 1989, Mike Little Gas Company, Inc. ("Mike Little") notified the Commission that its wholesale cost of gas was revised by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective May 1, 1989. Mike Little submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mike Little's notice of May 8, 1989 indicated that the revision in rates from its supplier effected a decrease in its own retail rates. The decrease resulted from Mike Little comparing its wholesale cost of gas in this case with its wholesale cost of

gas in Case No. 9535-Q.¹ By Order dated May 12, 1989, Mike Little's adjustment in rates in Case No. 9535-Q was denied by the Commission; therefore, any adjustment in rates should be determined by comparing the wholesale cost of gas in this case with the wholesale cost of gas in Case No. 9535-P.²

Based on the information filed by Mike Little in this case, the adjustment in rates is designed to pass on a wholesale increase in price from its supplier in the amount of \$20,536 or 37.32 cents per Mcf.

(2) Kentucky West filed an application for revised rates to become effective May 1, 1989 with the Federal Energy Regulatory Commission.

(3) KRS 278.180 requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the notice period from 30 days to not less than 20 days upon showing of good cause. Reductions in rates will be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice provided the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause. In no case, however, shall the effective date be made prior to the actual effective date of the supplier. Mike Little

¹ Case No. 9535-Q, Notice of Purchased Gas Adjustment Filing of Mike Little Gas Company, Inc.

² Case No. 9535-P, Notice of Purchased Gas Adjustment Filing of Mike Little Gas Company, Inc.

included no request for a showing of good cause for 20-days' notice. The effective date will, therefore, be 30 days after Mike Little's notice, or June 7, 1989.

(4) Mike Little's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9535 dated September 17, 1986 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after June 7, 1989.

IT IS THEREFORE ORDERED that:

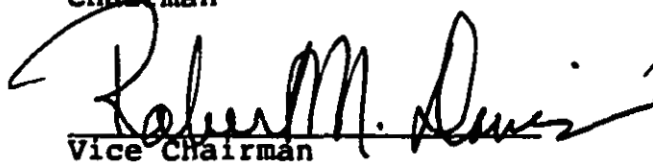
(1) The rates in the Appendix, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after June 7, 1989.

(2) Within 30 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 19th day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9535-R DATED 5/19/89

The following rates and charges are prescribed for the customers served by Mike Little Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf - Minimum Bill	\$5.7595 Per Mcf
All Over 1 Mcf	\$5.5424 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Mike Little Gas Company, Inc. shall be:

Commodity

Kentucky West Virginia Gas Company	\$2.5655 per Dth*
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*Including \$0.0169 Gas Research Institute Funding Charge